

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

1
F733A

WAR FOOD ADMINISTRATION
FOOD DISTRIBUTION ADMINISTRATION
WASHINGTON, D. C.

Reserve

ALLOCATION AGREEMENT
FOR DISTRIBUTION OF FLUID MILK SUPPLIES

Executed by

Milk Distributors of
Maine, Massachusetts, New Hampshire, Rhode Island
and Vermont

and

Samuel W. Tator
War Food Administration Representative
80 Federal St.
Boston, Mass.

September, 1943

FEB 3 1945

ALLOCATION AGREEMENT FOR DISTRIBUTION OF FLUID MILK SUPPLIES IN MAINE, MASSACHUSETTS, NEW HAMPSHIRE, RHODE ISLAND, AND VERMONT

WHEREAS, it is the declared policy of the War Food Administration to insure an efficient and equitable distribution of available food supplies, and

WHEREAS, the parties to this agreement are mutually desirous of cooperating and aiding in the objective of obtaining an equitable distribution of the available milk supplies of Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont, and

WHEREAS, the supplies of milk in this region may not be sufficient to meet all demands for fluid milk, and

WHEREAS, it is the purpose of the parties hereto to provide adequate milk supplies to meet all whole milk demands for Federal Government uses and to provide further, to the greatest possible extent, for the milk needed for consumption as fluid milk in this region;

Now, therefore, the distributors who are signatory parties to this allocation agreement, hereinafter referred to as "participating distributors," agree with each other and with Samuel W. Tator, representative of the War Food Administration, hereinafter referred to as the "WFA Representative," as follows:

1. DEFINITIONS. When used in this agreement, the following terms shall have the following meanings:

(a) "Region" means the States of Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

(b) "Person" means any individual, partnership, corporation, association, or any other business entity.

(c) "Distributor" means any person engaged in handling, processing, selling, or delivering Class I milk, except persons operating stores, restaurants, hotels, or similar establishments, in their capacity as such.

(d) "Class I milk" means all milk sold, distributed, or disposed of in the region as fluid milk and as or in chocolate or flavored whole or skim milk, buttermilk, or cultured skim milk, for human consumption.

(e) "Class II milk" means all milk other than Class I milk.

(f) "Basic sales" means the quantity of Class I milk disposed of by a participating distributor, exclusive of sales to, or under the order of, Federal agencies, and to other distributors during each calendar week.

(g) "Basic sales quota" means the basic sales of a participating distributor in the calendar week next preceding the first week in which the WFA Representative estimates and announces that available supplies for the subsequent week will be less than 100 percent of the requirements of Class I milk for all participating distributors. In no event, however, shall such basic sales quota exceed any quota which may be in effect pursuant to Food Dis-

tribution Order No. 79, including amendments or supplements thereto.

(h) "Country plant" means any milk plant at which milk is received directly from producers and which is located more than 40 miles from its primary market for fluid milk.

(i) "Market plant" means any milk plant which is located not more than 40 miles from its primary market for fluid milk.

(j) "Director" means the Director of Food Distribution, War Food Administration, or any employee of the United States Department of Agriculture designated by such Director.

(k) "WFA Representative" means the person designated by the Director as the representative of the War Food Administration for this agreement.

2. ELIGIBILITY FOR PARTICIPATION. Any distributor may become and continue as a participating distributor entitled to the benefits of this agreement by executing an agreement identical in form herewith and continuing to perform hereunder. Any distributor who executes this agreement after its effective date shall be entitled to have milk allocated to him commencing with the third calendar week following the date upon which his executed agreement is received by the WFA Representative.

3. ALLOCATION COMMITTEE. The WFA Representative shall appoint an allocation committee of participating distributors. The duties of the allocation committee shall be to formulate plans in cooperation with the WFA Representative and with other agencies in the transportation and allocation of available milk supplies, to consult with participating distributors and others within the industry, and to make recommendations designed to accomplish the purposes of this agreement.

4. REPORTS. Each participating distributor shall file reports with the WFA Representative, in the detail and form prescribed by him, as follows:

(a) Within 5 days after he signs this agreement the participating distributor shall file a report showing his receipts and disposition of milk in June 1943.

(b) With respect to each calendar week, the participating distributor shall report not later than the following Tuesday his receipts and disposition of milk from all sources for all uses in any market, together with his estimate of such receipts and disposition in the next calendar week following the Tuesday upon which such report is due.

(c) Within five days after a participating distributor enters into a contract to supply milk to an agency of the Federal Government or under the order of such an agency, he shall report to the WFA Representative the name of the agency with whom the contract was made, the contract period, and the quantity of milk to be supplied.

5. VERIFICATION. For the purpose of ascertaining the correctness of any report filed by a participating distributor or for the purpose of obtaining the information required in any such report

which has not been furnished by the distributor, each participating distributor shall permit the WFA Representative or his agent to verify the information contained in reports submitted under this agreement, and to make such examination of records, operations, equipment, and facilities as the WFA Representative deems necessary.

6. ESTIMATES OF SUPPLY AND REQUIREMENTS. On or before each Thursday the WFA Representative will estimate for the next calendar week, on the basis of his best and most recent information, the total supply of milk for all uses which will be received by all participating distributors, the sales to Federal agencies or under the order of Federal agencies which participating distributors are obligated to supply, and the basic sales of all participating distributors. He will at the same time deduct the estimated requirements for sales to Federal agencies or under the order of Federal agencies from the total supply for all uses, and determine and announce the percentage relationship of the remaining supply of milk to the basic sales of all participating distributors.

7. ALLOCATION OF SUPPLIES. The total supply of milk which each participating distributor has acquired for all uses shall be considered available to meet the demand for Class I milk before being devoted to other uses. With respect to any calendar week for which the percentage relationship announced by the WFA Representative is 100 or more, he shall direct sales between participating distributors to the extent that he deems necessary in order that

(a) Each participating distributor shall first have sufficient milk to meet all his requirements for sales to Federal agencies or under the order of Federal agencies and for basic sales, and, then, that

(b) Each participating distributor shall have milk, to the extent that it is available, first to supply Class I milk to non-participating distributors in the region, and second to supply milk to distributors outside the region.

8. ALLOCATION OF SHORT SUPPLY. With respect to any calendar week for which the percentage relationship announced by the WFA Representative is less than 100, he shall direct sales of milk between participating distributors to the extent that he deems necessary in order that

(a) Each participating distributor obligated to supply milk to Federal agencies, or under the order of Federal agencies, shall have sufficient milk to meet such requirements, and that

(b) Each participating distributor shall have a supply of milk which bears the same relationship to his basic sales quota as the total supply of milk available to all participating distributors for basic sales bears to the total basic sales quotas of all participating distributors.

9. ALLOCATIONS FROM MARKET PLANTS. In allocating milk to participating distributors under paragraphs 7 and 8, the WFA Representative, so far as practicable, shall direct sales so that all

milk received from producers at market plants will be utilized as Class I milk in the markets usually served by such plants.

10. **REVISION OF BASIC SALES QUOTAS.** In the event that a participating distributor represents that the use of his basic sales quota in the allocation of short supplies will operate to prevent the equitable distribution of the available milk supplies in the region, the WFA Representative may assign a "revised basic sales quota" to such distributor. Upon assignment of such "revised basic sales quota" it shall be used in place of the distributor's basic sales quota in subsequent allocations of short supplies of milk. The WFA Representative's determination on the revision of a basic sales quota may be reviewed by the Director on the written request of any participating distributor.

11. **TERMS AND CONDITIONS OF SALES.** All raw, unprocessed, bulk milk sold between participating distributors under paragraphs 7, 8, 12, and 13 shall be subject to the following terms and conditions of sale:

(a) Maximum prices for 3.7 percent milk, in buyer's tank car or tank truck, in specified minimum quantities taken daily for a period of not less than six months, shall be as follows:

(1) At seller's country plant—the zone Class I price to producers under Order No. 4, regulating the handling of milk in the Greater Boston, Massachusetts, marketing area, plus 22 cents per hundredweight;

(2) At seller's market plant supplying the Greater Boston marketing area—\$4.29 per hundredweight: *Provided*, That this price shall be increased or decreased to correspond to any change after August 1, 1943, in the price for Class I milk received from producers at plants within 40 miles of the State House in Boston, as set forth in Order No. 4, regulating the handling of milk in the Greater Boston, Massachusetts, marketing area; and

(3) At seller's market plant, for milk not subject to Order No. 4, regulating the handling of milk in the Greater Boston, Massachusetts, marketing area, the applicable ceiling price established by the Office of Price Administration for milk purchased from producers, plus 10 cents per hundredweight.

(b) If the seller has one or more country plants, the buyer may elect to take possession of the milk at a country plant. In such event, the seller may designate the particular country plant at which the milk may be taken.

(c) All sales to distributors who do not take specified minimum quantities daily for a period of at least six months shall be "spot sales," for which the seller may add a differential not to exceed 12 cents per hundredweight.

(d) For each one-tenth of 1 percent average butterfat content above or below 3.7 percent, the seller shall add or deduct the last butterfat differential announced under the provisions of Order No. 4, regulating the handling of milk in the Greater Boston, Massachusetts, marketing area.

(e) The buyer shall accept milk of such butterfat test as may be available at the seller's plant. If the seller is requested by the buyer to standardize the milk to a specific test and the seller is willing to perform such standardization, the price for milk may be increased not to exceed 5 cents per hundredweight.

(f) For milk supplied in 40-quart cans at the buyer's request, the seller may add a differential not to exceed 5 cents per hundredweight.

(g) The buyer shall take possession of the milk at the selling handler's plant, with the buyer furnishing containers for the transportation of the milk unless other arrangements to furnish containers are made which are satisfactory to the seller. The seller may, but shall not be required to, furnish the necessary containers, in which event the price may be increased by 3 cents per hundredweight.

(h) The buyer shall take the milk at such approximate time each day as is specified by the seller.

(i) The buyer shall give reasonable notice to the seller as to the quantity of milk needed and the dates upon which it will be needed. If the notice is limited to less than 7 days, the buyer shall make available to the seller an equivalent quantity of butterfat in the form of 40 percent bottling quality cream, if it is possible for him to do so and if he is requested to do so by the seller.

(j) The seller shall have the option of receiving cash upon receipt of the milk.

(k) Milk shall be available on these terms and conditions to participating distributors who do not possess otherwise a quantity of milk reasonably necessary to enable them to meet their immediate fluid milk requirements.

12. AGREEMENT TO SELL MILK. Each participating distributor shall make such interdistributor sales as the WFA Representative directs him to make.

13. AGREEMENT TO ACCEPT MILK. Each participating distributor shall accept all milk allocated to him unless relieved of such responsibility by the WFA Representative: *Provided*, That a participating distributor shall not be obligated to accept milk which does not meet the requirements, for resale as fluid milk, of the board of health in the market in which it is to be distributed.

14. EQUITABLE DISTRIBUTION. Each participating distributor shall make an equitable distribution of the milk included in his basic sales, taking into consideration the persons and types of outlets supplied. He shall not favor purchasers who buy other products from him.

15. LIMITATION OF EFFECT. The signatories hereto join in the foregoing solely to effectuate the purposes stated in the premises hereof, and wholly without prejudice to anyone with respect to any claim or position he might take in any hearing on the provisions of Order No. 4, regulating the handling of milk in the Greater Boston marketing area, or of any other order or regulation, or in hearings on administrative relief or actions in

the court. This agreement shall be effective in the absence of maximum prices which may be established by the Office of Price Administration for sales of raw, unprocessed, bulk milk sold between distributors.

16. **EFFECTIVE TIME.** When distributors who received from producers in June 1943 not less than 85 percent of the quantity of milk subject in that month to the provisions of Order No. 4, issued by the Secretary of Agriculture, regulating the handling of milk in the Greater Boston, Massachusetts, marketing area, shall have executed this agreement, it shall become effective on the date designated by the WFA Representative. This agreement shall be suspended at midnight on February 29, 1944, unless distributors who received from producers during January 1944 not less than 85 percent of the quantity of milk subject in that month to said Order No. 4, referred to herein, desire to continue it. If suspended, the agreement shall again become effective for periods specified by handlers of not less than 85 percent of the milk subject to said Order No. 4 referred to herein during a month subsequent to February 1944, named by the WFA Representative if such handlers desire to reeffectuate the agreement. The agreement shall terminate at such time as the Director of the War Food Administration or his successor shall terminate the designation of a WFA Representative.

17. **COUNTERPARTS.** This allocation agreement may be executed in multiple counterparts, and all such counterparts shall constitute, when taken together, one and the same instrument as if all signatures were obtained in one original.

IN WITNESS WHEREOF, This agreement is hereby executed.

.....
Participating Distributor

By

.....
WFA Representative

Date....., 1943.

F733A

WAR FOOD ADMINISTRATION
FOOD DISTRIBUTION ADMINISTRATION
WASHINGTON, D. C.

ALLOCATION AGREEMENT
FOR DISTRIBUTION OF FLUID MILK SUPPLIES

Executed by

Milk Distributors of
Maine, Massachusetts, New Hampshire, Rhode Island
and Vermont

and

Samuel W. Tator
War Food Administration Representative
80 Federal St.
Boston, Mass.

Woburn

September, 1943

FEB 3 1945

ALLOCATION AGREEMENT FOR DISTRIBUTION OF FLUID MILK SUPPLIES IN MAINE, MASSACHUSETTS, NEW HAMPSHIRE, RHODE ISLAND, AND VERMONT

WHEREAS, it is the declared policy of the War Food Administration to insure an efficient and equitable distribution of available food supplies, and

WHEREAS, the parties to this agreement are mutually desirous of cooperating and aiding in the objective of obtaining an equitable distribution of the available milk supplies of Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont, and

WHEREAS, the supplies of milk in this region may not be sufficient to meet all demands for fluid milk, and

WHEREAS, it is the purpose of the parties hereto to provide adequate milk supplies to meet all whole milk demands for Federal Government uses and to provide further, to the greatest possible extent, for the milk needed for consumption as fluid milk in this region;

Now, therefore, the distributors who are signatory parties to this allocation agreement, hereinafter referred to as "participating distributors," agree with each other and with Samuel W. Tator, representative of the War Food Administration, hereinafter referred to as the "WFA Representative," as follows:

1. DEFINITIONS. When used in this agreement, the following terms shall have the following meanings:

(a) "Region" means the States of Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

(b) "Person" means any individual, partnership, corporation, association, or any other business entity.

(c) "Distributor" means any person engaged in handling, processing, selling, or delivering Class I milk, except persons operating stores, restaurants, hotels, or similar establishments, in their capacity as such.

(d) "Class I milk" means all milk sold, distributed, or disposed of in the region as fluid milk and as or in chocolate or flavored whole or skim milk, buttermilk, or cultured skim milk, for human consumption.

(e) "Class II milk" means all milk other than Class I milk.

(f) "Basic sales" means the quantity of Class I milk disposed of by a participating distributor, exclusive of sales to, or under the order of, Federal agencies, and to other distributors during each calendar week.

(g) "Basic sales quota" means the basic sales of a participating distributor in the calendar week next preceding the first week in which the WFA Representative estimates and announces that available supplies for the subsequent week will be less than 100 percent of the requirements of Class I milk for all participating distributors. In no event, however, shall such basic sales quota exceed any quota which may be in effect pursuant to Food Dis-

tribution Order No. 79, including amendments or supplements thereto.

(h) "Country plant" means any milk plant at which milk is received directly from producers and which is located more than 40 miles from its primary market for fluid milk.

(i) "Market plant" means any milk plant which is located not more than 40 miles from its primary market for fluid milk.

(j) "Director" means the Director of Food Distribution, War Food Administration, or any employee of the United States Department of Agriculture designated by such Director.

(k) "WFA Representative" means the person designated by the Director as the representative of the War Food Administration for this agreement.

2. ELIGIBILITY FOR PARTICIPATION. Any distributor may become and continue as a participating distributor entitled to the benefits of this agreement by executing an agreement identical in form herewith and continuing to perform hereunder. Any distributor who executes this agreement after its effective date shall be entitled to have milk allocated to him commencing with the third calendar week following the date upon which his executed agreement is received by the WFA Representative.

3. ALLOCATION COMMITTEE. The WFA Representative shall appoint an allocation committee of participating distributors. The duties of the allocation committee shall be to formulate plans in cooperation with the WFA Representative and with other agencies in the transportation and allocation of available milk supplies, to consult with participating distributors and others within the industry, and to make recommendations designed to accomplish the purposes of this agreement.

4. REPORTS. Each participating distributor shall file reports with the WFA Representative, in the detail and form prescribed by him, as follows:

(a) Within 5 days after he signs this agreement the participating distributor shall file a report showing his receipts and disposition of milk in June 1943.

(b) With respect to each calendar week, the participating distributor shall report not later than the following Tuesday his receipts and disposition of milk from all sources for all uses in any market, together with his estimate of such receipts and disposition in the next calendar week following the Tuesday upon which such report is due.

(c) Within five days after a participating distributor enters into a contract to supply milk to an agency of the Federal Government or under the order of such an agency, he shall report to the WFA Representative the name of the agency with whom the contract was made, the contract period, and the quantity of milk to be supplied.

5. VERIFICATION. For the purpose of ascertaining the correctness of any report filed by a participating distributor or for the purpose of obtaining the information required in any such report

which has not been furnished by the distributor, each participating distributor shall permit the WFA Representative or his agent to verify the information contained in reports submitted under this agreement, and to make such examination of records, operations, equipment, and facilities as the WFA Representative deems necessary.

6. ESTIMATES OF SUPPLY AND REQUIREMENTS. On or before each Thursday the WFA Representative will estimate for the next calendar week, on the basis of his best and most recent information, the total supply of milk for all uses which will be received by all participating distributors, the sales to Federal agencies or under the order of Federal agencies which participating distributors are obligated to supply, and the basic sales of all participating distributors. He will at the same time deduct the estimated requirements for sales to Federal agencies or under the order of Federal agencies from the total supply for all uses, and determine and announce the percentage relationship of the remaining supply of milk to the basic sales of all participating distributors.

7. ALLOCATION OF SUPPLIES. The total supply of milk which each participating distributor has acquired for all uses shall be considered available to meet the demand for Class I milk before being devoted to other uses. With respect to any calendar week for which the percentage relationship announced by the WFA Representative is 100 or more, he shall direct sales between participating distributors to the extent that he deems necessary in order that

(a) Each participating distributor shall first have sufficient milk to meet all his requirements for sales to Federal agencies or under the order of Federal agencies and for basic sales, and, then, that

(b) Each participating distributor shall have milk, to the extent that it is available, first to supply Class I milk to non-participating distributors in the region, and second to supply milk to distributors outside the region.

8. ALLOCATION OF SHORT SUPPLY. With respect to any calendar week for which the percentage relationship announced by the WFA Representative is less than 100, he shall direct sales of milk between participating distributors to the extent that he deems necessary in order that

(a) Each participating distributor obligated to supply milk to Federal agencies, or under the order of Federal agencies, shall have sufficient milk to meet such requirements, and that

(b) Each participating distributor shall have a supply of milk which bears the same relationship to his basic sales quota as the total supply of milk available to all participating distributors for basic sales bears to the total basic sales quotas of all participating distributors.

9. ALLOCATIONS FROM MARKET PLANTS. In allocating milk to participating distributors under paragraphs 7 and 8, the WFA Representative, so far as practicable, shall direct sales so that all

milk received from producers at market plants will be utilized as Class I milk in the markets usually served by such plants.

10. **REVISION OF BASIC SALES QUOTAS.** In the event that a participating distributor represents that the use of his basic sales quota in the allocation of short supplies will operate to prevent the equitable distribution of the available milk supplies in the region, the WFA Representative may assign a "revised basic sales quota" to such distributor. Upon assignment of such "revised basic sales quota" it shall be used in place of the distributor's basic sales quota in subsequent allocations of short supplies of milk. The WFA Representative's determination on the revision of a basic sales quota may be reviewed by the Director on the written request of any participating distributor.

11. **TERMS AND CONDITIONS OF SALES.** All raw, unprocessed, bulk milk sold between participating distributors under paragraphs 7, 8, 12, and 13 shall be subject to the following terms and conditions of sale:

(a) Maximum prices for 3.7 percent milk, in buyer's tank car or tank truck, in specified minimum quantities taken daily for a period of not less than six months, shall be as follows:

(1) At seller's country plant—the zone Class I price to producers under Order No. 4, regulating the handling of milk in the Greater Boston, Massachusetts, marketing area, plus 22 cents per hundredweight;

(2) At seller's market plant supplying the Greater Boston marketing area—\$4.29 per hundredweight: *Provided*, That this price shall be increased or decreased to correspond to any change after August 1, 1943, in the price for Class I milk received from producers at plants within 40 miles of the State House in Boston, as set forth in Order No. 4, regulating the handling of milk in the Greater Boston, Massachusetts, marketing area; and

(3) At seller's market plant, for milk not subject to Order No. 4, regulating the handling of milk in the Greater Boston, Massachusetts, marketing area, the applicable ceiling price established by the Office of Price Administration for milk purchased from producers, plus 10 cents per hundredweight.

(b) If the seller has one or more country plants, the buyer may elect to take possession of the milk at a country plant. In such event, the seller may designate the particular country plant at which the milk may be taken.

(c) All sales to distributors who do not take specified minimum quantities daily for a period of at least six months shall be "spot sales," for which the seller may add a differential not to exceed 12 cents per hundredweight.

(d) For each one-tenth of 1 percent average butterfat content above or below 3.7 percent, the seller shall add or deduct the last butterfat differential announced under the provisions of Order No. 4, regulating the handling of milk in the Greater Boston, Massachusetts, marketing area.

(e) The buyer shall accept milk of such butterfat test as may be available at the seller's plant. If the seller is requested by the buyer to standardize the milk to a specific test and the seller is willing to perform such standardization, the price for milk may be increased not to exceed 5 cents per hundredweight.

(f) For milk supplied in 40-quart cans at the buyer's request, the seller may add a differential not to exceed 5 cents per hundredweight.

(g) The buyer shall take possession of the milk at the selling handler's plant, with the buyer furnishing containers for the transportation of the milk unless other arrangements to furnish containers are made which are satisfactory to the seller. The seller may, but shall not be required to, furnish the necessary containers, in which event the price may be increased by 3 cents per hundredweight.

(h) The buyer shall take the milk at such approximate time each day as is specified by the seller.

(i) The buyer shall give reasonable notice to the seller as to the quantity of milk needed and the dates upon which it will be needed. If the notice is limited to less than 7 days, the buyer shall make available to the seller an equivalent quantity of butterfat in the form of 40 percent bottling quality cream, if it is possible for him to do so and if he is requested to do so by the seller.

(j) The seller shall have the option of receiving cash upon receipt of the milk.

(k) Milk shall be available on these terms and conditions to participating distributors who do not possess otherwise a quantity of milk reasonably necessary to enable them to meet their immediate fluid milk requirements.

12. AGREEMENT TO SELL MILK. Each participating distributor shall make such interdistributor sales as the WFA Representative directs him to make.

13. AGREEMENT TO ACCEPT MILK. Each participating distributor shall accept all milk allocated to him unless relieved of such responsibility by the WFA Representative: *Provided*, That a participating distributor shall not be obligated to accept milk which does not meet the requirements, for resale as fluid milk, of the board of health in the market in which it is to be distributed.

14. EQUITABLE DISTRIBUTION. Each participating distributor shall make an equitable distribution of the milk included in his basic sales, taking into consideration the persons and types of outlets supplied. He shall not favor purchasers who buy other products from him.

15. LIMITATION OF EFFECT. The signatories hereto join in the foregoing solely to effectuate the purposes stated in the premises hereof, and wholly without prejudice to anyone with respect to any claim or position he might take in any hearing on the provisions of Order No. 4, regulating the handling of milk in the Greater Boston marketing area, or of any other order or regulation, or in hearings on administrative relief or actions in

the court. This agreement shall be effective in the absence of maximum prices which may be established by the Office of Price Administration for sales of raw, unprocessed, bulk milk sold between distributors.

16. **EFFECTIVE TIME.** When distributors who received from producers in June 1943 not less than 85 percent of the quantity of milk subject in that month to the provisions of Order No. 4, issued by the Secretary of Agriculture, regulating the handling of milk in the Greater Boston, Massachusetts, marketing area, shall have executed this agreement, it shall become effective on the date designated by the WFA Representative. This agreement shall be suspended at midnight on February 29, 1944, unless distributors who received from producers during January 1944 not less than 85 percent of the quantity of milk subject in that month to said Order No. 4, referred to herein, desire to continue it. If suspended, the agreement shall again become effective for periods specified by handlers of not less than 85 percent of the milk subject to said Order No. 4 referred to herein during a month subsequent to February 1944, named by the WFA Representative if such handlers desire to reeffectuate the agreement. The agreement shall terminate at such time as the Director of the War Food Administration or his successor shall terminate the designation of a WFA Representative.

17. **COUNTERPARTS.** This allocation agreement may be executed in multiple counterparts, and all such counterparts shall constitute, when taken together, one and the same instrument as if all signatures were obtained in one original.

IN WITNESS WHEREOF, This agreement is hereby executed.

.....
Participating Distributor

By.....

.....
WFA Representative

Date....., 1943.

F733A

[Handwritten signature]

WAR FOOD ADMINISTRATION
FOOD DISTRIBUTION ADMINISTRATION
WASHINGTON, D. C.

New England Milk

✓ ALLOCATION AGREEMENT

✓ FOR DISTRIBUTION OF FLUID MILK SUPPLIES

Executed by

Milk Distributors of
Maine, Massachusetts, New Hampshire, Rhode Island
and Vermont

and

Samuel W. Tator
War Food Administration Representative
80 Federal St.
Boston, Mass.

[Faint circular stamp]

September, 1943

FEB 3 1945

ALLOCATION AGREEMENT FOR DISTRIBUTION OF FLUID MILK SUPPLIES IN MAINE, MASSACHUSETTS, NEW HAMPSHIRE, RHODE ISLAND, AND VERMONT

WHEREAS, it is the declared policy of the War Food Administration to insure an efficient and equitable distribution of available food supplies, and

WHEREAS, the parties to this agreement are mutually desirous of cooperating and aiding in the objective of obtaining an equitable distribution of the available milk supplies of Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont, and

WHEREAS, the supplies of milk in this region may not be sufficient to meet all demands for fluid milk, and

WHEREAS, it is the purpose of the parties hereto to provide adequate milk supplies to meet all whole milk demands for Federal Government uses and to provide further, to the greatest possible extent, for the milk needed for consumption as fluid milk in this region;

Now, therefore, the distributors who are signatory parties to this allocation agreement, hereinafter referred to as "participating distributors," agree with each other and with Samuel W. Tator, representative of the War Food Administration, hereinafter referred to as the "WFA Representative," as follows:

1. DEFINITIONS. When used in this agreement, the following terms shall have the following meanings:

(a) "Region" means the States of Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

(b) "Person" means any individual, partnership, corporation, association, or any other business entity.

(c) "Distributor" means any person engaged in handling, processing, selling, or delivering Class I milk, except persons operating stores, restaurants, hotels, or similar establishments, in their capacity as such.

(d) "Class I milk" means all milk sold, distributed, or disposed of in the region as fluid milk and as or in chocolate or flavored whole or skim milk, buttermilk, or cultured skim milk, for human consumption.

(e) "Class II milk" means all milk other than Class I milk.

(f) "Basic sales" means the quantity of Class I milk disposed of by a participating distributor, exclusive of sales to, or under the order of, Federal agencies, and to other distributors during each calendar week.

(g) "Basic sales quota" means the basic sales of a participating distributor in the calendar week next preceding the first week in which the WFA Representative estimates and announces that available supplies for the subsequent week will be less than 100 percent of the requirements of Class I milk for all participating distributors. In no event, however, shall such basic sales quota exceed any quota which may be in effect pursuant to Food Dis-

tribution Order No. 79, including amendments or supplements thereto.

(h) "Country plant" means any milk plant at which milk is received directly from producers and which is located more than 40 miles from its primary market for fluid milk.

(i) "Market plant" means any milk plant which is located not more than 40 miles from its primary market for fluid milk.

(j) "Director" means the Director of Food Distribution, War Food Administration, or any employee of the United States Department of Agriculture designated by such Director.

(k) "WFA Representative" means the person designated by the Director as the representative of the War Food Administration for this agreement.

2. **ELIGIBILITY FOR PARTICIPATION.** Any distributor may become and continue as a participating distributor entitled to the benefits of this agreement by executing an agreement identical in form herewith and continuing to perform hereunder. Any distributor who executes this agreement after its effective date shall be entitled to have milk allocated to him commencing with the third calendar week following the date upon which his executed agreement is received by the WFA Representative.

3. **ALLOCATION COMMITTEE.** The WFA Representative shall appoint an allocation committee of participating distributors. The duties of the allocation committee shall be to formulate plans in cooperation with the WFA Representative and with other agencies in the transportation and allocation of available milk supplies, to consult with participating distributors and others within the industry, and to make recommendations designed to accomplish the purposes of this agreement.

4. **REPORTS.** Each participating distributor shall file reports with the WFA Representative, in the detail and form prescribed by him, as follows:

(a) Within 5 days after he signs this agreement the participating distributor shall file a report showing his receipts and disposition of milk in June 1943.

(b) With respect to each calendar week, the participating distributor shall report not later than the following Tuesday his receipts and disposition of milk from all sources for all uses in any market, together with his estimate of such receipts and disposition in the next calendar week following the Tuesday upon which such report is due.

(c) Within five days after a participating distributor enters into a contract to supply milk to an agency of the Federal Government or under the order of such an agency, he shall report to the WFA Representative the name of the agency with whom the contract was made, the contract period, and the quantity of milk to be supplied.

5. **VERIFICATION.** For the purpose of ascertaining the correctness of any report filed by a participating distributor or for the purpose of obtaining the information required in any such report

which has not been furnished by the distributor, each participating distributor shall permit the WFA Representative or his agent to verify the information contained in reports submitted under this agreement, and to make such examination of records, operations, equipment, and facilities as the WFA Representative deems necessary.

6. ESTIMATES OF SUPPLY AND REQUIREMENTS. On or before each Thursday the WFA Representative will estimate for the next calendar week, on the basis of his best and most recent information, the total supply of milk for all uses which will be received by all participating distributors, the sales to Federal agencies or under the order of Federal agencies which participating distributors are obligated to supply, and the basic sales of all participating distributors. He will at the same time deduct the estimated requirements for sales to Federal agencies or under the order of Federal agencies from the total supply for all uses, and determine and announce the percentage relationship of the remaining supply of milk to the basic sales of all participating distributors.

7. ALLOCATION OF SUPPLIES. The total supply of milk which each participating distributor has acquired for all uses shall be considered available to meet the demand for Class I milk before being devoted to other uses. With respect to any calendar week for which the percentage relationship announced by the WFA Representative is 100 or more, he shall direct sales between participating distributors to the extent that he deems necessary in order that

(a) Each participating distributor shall first have sufficient milk to meet all his requirements for sales to Federal agencies or under the order of Federal agencies and for basic sales, and, then, that

(b) Each participating distributor shall have milk, to the extent that it is available, first to supply Class I milk to non-participating distributors in the region, and second to supply milk to distributors outside the region.

8. ALLOCATION OF SHORT SUPPLY. With respect to any calendar week for which the percentage relationship announced by the WFA Representative is less than 100, he shall direct sales of milk between participating distributors to the extent that he deems necessary in order that

(a) Each participating distributor obligated to supply milk to Federal agencies, or under the order of Federal agencies, shall have sufficient milk to meet such requirements, and that

(b) Each participating distributor shall have a supply of milk which bears the same relationship to his basic sales quota as the total supply of milk available to all participating distributors for basic sales bears to the total basic sales quotas of all participating distributors.

9. ALLOCATIONS FROM MARKET PLANTS. In allocating milk to participating distributors under paragraphs 7 and 8, the WFA Representative, so far as practicable, shall direct sales so that all

milk received from producers at market plants will be utilized as Class I milk in the markets usually served by such plants.

10. **REVISION OF BASIC SALES QUOTAS.** In the event that a participating distributor represents that the use of his basic sales quota in the allocation of short supplies will operate to prevent the equitable distribution of the available milk supplies in the region, the WFA Representative may assign a "revised basic sales quota" to such distributor. Upon assignment of such "revised basic sales quota" it shall be used in place of the distributor's basic sales quota in subsequent allocations of short supplies of milk. The WFA Representative's determination on the revision of a basic sales quota may be reviewed by the Director on the written request of any participating distributor.

11. **TERMS AND CONDITIONS OF SALES.** All raw, unprocessed, bulk milk sold between participating distributors under paragraphs 7, 8, 12, and 13 shall be subject to the following terms and conditions of sale:

(a) Maximum prices for 3.7 percent milk, in buyer's tank car or tank truck, in specified minimum quantities taken daily for a period of not less than six months, shall be as follows:

(1) At seller's country plant—the zone Class I price to producers under Order No. 4, regulating the handling of milk in the Greater Boston, Massachusetts, marketing area, plus 22 cents per hundredweight;

(2) At seller's market plant supplying the Greater Boston marketing area—\$4.29 per hundredweight: *Provided*, That this price shall be increased or decreased to correspond to any change after August 1, 1943, in the price for Class I milk received from producers at plants within 40 miles of the State House in Boston, as set forth in Order No. 4, regulating the handling of milk in the Greater Boston, Massachusetts, marketing area; and

(3) At seller's market plant, for milk not subject to Order No. 4, regulating the handling of milk in the Greater Boston, Massachusetts, marketing area, the applicable ceiling price established by the Office of Price Administration for milk purchased from producers, plus 10 cents per hundredweight.

(b) If the seller has one or more country plants, the buyer may elect to take possession of the milk at a country plant. In such event, the seller may designate the particular country plant at which the milk may be taken.

(c) All sales to distributors who do not take specified minimum quantities daily for a period of at least six months shall be "spot sales," for which the seller may add a differential not to exceed 12 cents per hundredweight.

(d) For each one-tenth of 1 percent average butterfat content above or below 3.7 percent, the seller shall add or deduct the last butterfat differential announced under the provisions of Order No. 4, regulating the handling of milk in the Greater Boston, Massachusetts, marketing area.

(e) The buyer shall accept milk of such butterfat test as may be available at the seller's plant. If the seller is requested by the buyer to standardize the milk to a specific test and the seller is willing to perform such standardization, the price for milk may be increased not to exceed 5 cents per hundredweight.

(f) For milk supplied in 40-quart cans at the buyer's request, the seller may add a differential not to exceed 5 cents per hundredweight.

(g) The buyer shall take possession of the milk at the selling handler's plant, with the buyer furnishing containers for the transportation of the milk unless other arrangements to furnish containers are made which are satisfactory to the seller. The seller may, but shall not be required to, furnish the necessary containers, in which event the price may be increased by 3 cents per hundredweight.

(h) The buyer shall take the milk at such approximate time each day as is specified by the seller.

(i) The buyer shall give reasonable notice to the seller as to the quantity of milk needed and the dates upon which it will be needed. If the notice is limited to less than 7 days, the buyer shall make available to the seller an equivalent quantity of butterfat in the form of 40 percent bottling quality cream, if it is possible for him to do so and if he is requested to do so by the seller.

(j) The seller shall have the option of receiving cash upon receipt of the milk.

(k) Milk shall be available on these terms and conditions to participating distributors who do not possess otherwise a quantity of milk reasonably necessary to enable them to meet their immediate fluid milk requirements.

12. AGREEMENT TO SELL MILK. Each participating distributor shall make such interdistributor sales as the WFA Representative directs him to make.

13. AGREEMENT TO ACCEPT MILK. Each participating distributor shall accept all milk allocated to him unless relieved of such responsibility by the WFA Representative: *Provided*, That a participating distributor shall not be obligated to accept milk which does not meet the requirements, for resale as fluid milk, of the board of health in the market in which it is to be distributed.

14. EQUITABLE DISTRIBUTION. Each participating distributor shall make an equitable distribution of the milk included in his basic sales, taking into consideration the persons and types of outlets supplied. He shall not favor purchasers who buy other products from him.

15. LIMITATION OF EFFECT. The signatories hereto join in the foregoing solely to effectuate the purposes stated in the premises hereof, and wholly without prejudice to anyone with respect to any claim or position he might take in any hearing on the provisions of Order No. 4, regulating the handling of milk in the Greater Boston marketing area, or of any other order or regulation, or in hearings on administrative relief or actions in

the court. This agreement shall be effective in the absence of maximum prices which may be established by the Office of Price Administration for sales of raw, unprocessed, bulk milk sold between distributors.

16. **EFFECTIVE TIME.** When distributors who received from producers in June 1943 not less than 85 percent of the quantity of milk subject in that month to the provisions of Order No. 4, issued by the Secretary of Agriculture, regulating the handling of milk in the Greater Boston, Massachusetts, marketing area, shall have executed this agreement, it shall become effective on the date designated by the WFA Representative. This agreement shall be suspended at midnight on February 29, 1944, unless distributors who received from producers during January 1944 not less than 85 percent of the quantity of milk subject in that month to said Order No. 4, referred to herein, desire to continue it. If suspended, the agreement shall again become effective for periods specified by handlers of not less than 85 percent of the milk subject to said Order No. 4 referred to herein during a month subsequent to February 1944, named by the WFA Representative if such handlers desire to reeffectuate the agreement. The agreement shall terminate at such time as the Director of the War Food Administration or his successor shall terminate the designation of a WFA Representative.

17. **COUNTERPARTS.** This allocation agreement may be executed in multiple counterparts, and all such counterparts shall constitute, when taken together, one and the same instrument as if all signatures were obtained in one original.

IN WITNESS WHEREOF, This agreement is hereby executed.

.....
Participating Distributor

By

.....
WFA Representative

Date....., 1943.

